

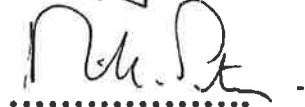
**Herbalife Denmark ApS**  
**C/O Advokat Richard Petersen**  
**Hovedvagtsgade 6,5.**  
**1103 København K**

*Annual Report 2021*

CVR No. 17 07 14 83

The Annual Report  
was presented and adopted  
at the Annual General Meeting  
of the Company

on *May 27th* 2022



**Richard Petersen**  
Chairman

*The annual report contains 18 pages*

## **Contents**

Statement by the Executive Board	3
Independent auditors' report	4
Company details	7
Management's review	8
Financial statements for the period 1 January - 31 December	10
Accounting policies	10
Income statement	13
Balance sheet	14
Notes	16

## **Statement by the Executive Board**

The Executive Board has today discussed and adopted the annual report for 2021 of Herbalife Denmark ApS.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of the Company's operations for the financial year ended 31 December 2021.

In my opinion, Management's review includes a true and fair account of the matters addressed in the Review.

We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 27 May 2022  
Executive Board:

**Mia Bergmann**  
Director

**Mark David Storey**  
Director

## ***Independent Auditor's Report***

To the Shareholders of Herbalife Denmark ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Herbalife Denmark ApS for the financial year 1 January - 31 December 2021, which comprise accounting policies, income statement, balance sheet and notes ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 May 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Ole Tjørnelund Thomsen  
State Authorised Public Accountant  
Mne10637

James Liang  
State Authorised Public Accountant  
Mne34549

## **Company details**

Herbalife Denmark ApS  
c/o Advokat *Attorney* Richard Petersen  
Hovedvagtsgade 6, 5. sal/5 th. Floor  
DK-1103 København K/Copenhagen K

Registration No.: 17 07 14 83

Registered office: Copenhagen

Financial year: 1 January - 31 December

## **Executive Board**

Mark David Storey

Mia Bergmann

## **Auditors**

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Management's review**

### **Activities in Herbalife Denmark ApS**

The Company's primary activity consists of the wholesale of nutritional and personal care products.

### **Significant events during the year**

None

### **Development in activities and financial position**

The Company's net profit for the year 2021 is DKK 1,149 thousand against the net profit in 2020 of DKK 4,293 thousand.

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The COVID-19 pandemic has significantly impacted health and economic conditions globally. Despite some relaxation of pandemic related constraints in late 2021, considerable uncertainty still surrounds the COVID-19 pandemic, its potential effects and the extent and effectiveness of government responses to the pandemic. The Company has responded to COVID-19 pandemic conditions by adapting how it communicates with, services, and transacts with our Members and our Members have similarly adapted their DMOs and other activities. Shipping for home delivery has become the primary distribution channel. Members have continued to turn further to social media to carry out their sales and oversight activities. These adaptations have been successful in limiting the adverse impact of the pandemic in 2021 and the Company believes that pandemic conditions may have been a contributing factor in the motivation and focus of the Members, leading to sales volume increases versus the prior year. Nevertheless, due to the fact that the Company is considered as belonging to the category of "essential" businesses (selling nutrition products) and the source of financing of the Company's activity is own equity, Directors do not currently see direct risks to the Company's operations and ability to continue as a going concern.



### **Capital and reserves**

The Company's equity as at 31 December 2021 amounts to DKK 4,026 thousand (31 December 2020: DKK 7,378 thousand).

### **Ownership**

The Company's share capital is held by Herbalife International, Inc., Los Angeles, USA.

### **Subsequent events**

No significant events have occurred after the end of the financial year.

## **Financial statements for the period 1 January – 31 December**

### **Accounting policies**

The annual report of Herbalife Denmark ApS for 2021 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act.

The accounting policies applied in the preparation of the Financial Statements are consistent with those of last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item. In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest Financial Statements is recognised in the income statement as interest income or expense and similar items.

The annual report has been prepared in Danish Kroner.

## **Income statement**

### **Revenue**

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT and taxes.

### **Other external costs**

Other external costs comprise costs for distribution, sales, advertising, administration, bad debts etc.

### **Gross profit/ loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Interest income and expense and similar items**

Interest income and expense and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies etc.

### **Tax on profit/loss for the year**

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in capital and reserves is recognised directly in capital and reserves.

## **Balance sheet**

### **Receivables**

Receivables are measured at amortised cost. Write-down is made for bad debt losses at net realisable value.

### **Prepayments**

Prepayments comprise costs incurred in relation to subsequent financial years.

### **Equity - dividends**

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forward, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

### **Financial liabilities**

Other liabilities comprising trade payables, amounts owed to group enterprises and other payables are measured at amortised cost.

### **Deferred income**

Deferred income comprises received payments concerning income in subsequent years.

**Income statement**

	Notes	2021	2020
Gross profit		1,448,204	5,590,432
<b>Profit/loss before financial income and expense</b>		<b>1,448,204</b>	<b>5,590,432</b>
Interest income and similar items	1	94,386	36,270
Interest expense and similar items	2	(41,627)	(9,362)
<b>Profit/loss before tax</b>		<b>1,500,963</b>	<b>5,617,340</b>
Tax on profit/loss for the year	3	(351,719)	(1,324,361)
<b>Profit/loss for the year</b>		<b>1,149,243</b>	<b>4,292,979</b>

**Proposed distribution of profit**

Profit/loss for the year	1,149,243	4,292,979
Extraordinary dividend paid	(4,500,000)	(2,700,000)
Retained earnings	6,177,516	4,584,537
<b>Available for distribution</b>	<b>2,826,759</b>	<b>6,177,516</b>
To be distributed as follows:		
Retained earnings	2,826,759	6,177,516
	<b>2,826,759</b>	<b>6,177,516</b>

## Balance sheet

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loans to group enterprises		6,000,000	6,000,000
<b>Total non-current assets</b>		<b>6,000,000</b>	<b>6,000,000</b>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		609,779	780,715
Amounts receivable from group enterprises		267,055	42,629
Prepayments		40,831	55,403
Deferred Tax		85,287	104,586
<b>Total receivables</b>		<b>1,002,952</b>	<b>983,333</b>
Cash at bank and in hand		6,496,418	11,934,625
<b>Total current assets</b>		<b>7,499,370</b>	<b>12,917,958</b>
<b>TOTAL ASSETS</b>		<b>13,499,370</b>	<b>18,917,958</b>

	Notes	31 December 2021	31 December 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	4	1,200,000	1,200,000
Retained earnings	5	2,826,759	6,177,516
<b>Total capital and reserves</b>		<b>4,026,759</b>	<b>7,377,516</b>
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Amounts owed to group enterprises		2,112,884	2,073,170
Other payables	6	7,084,927	8,069,774
Income Tax payables		64,419	1,122,191
Deferred income		210,381	275,307
<b>Total liabilities</b>		<b>9,472,611</b>	<b>11,540,442</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,499,370</b>	<b>18,917,958</b>

## Notes

	2021	2020
<b>1 Interest income and similar items</b>		
Realised exchange gain	-	35,497
Interest received from group enterprises	94,386	773
<b>Total interest income</b>	<b>94,386</b>	<b>36,270</b>
<b>2 Interest expense and similar items</b>		
Realised exchange loss	30,771	7,182
Unrealised exchange loss	10,856	655
Other financial expenses and similar items	-	1,525
<b>Total interest expense</b>	<b>41,627</b>	<b>9,362</b>
<b>3 Corporation tax</b>		
<b>Current tax</b>		
Tax on profit for the year	332,420	1,292,190
Deferred tax	19,299	32,171
	<b>351,719</b>	<b>1,324,361</b>
<b>4 Share capital</b>		
The share capital amounts to DKK 1,200 thousand consisting of A shares of DKK 200 thousand with full voting and dividend rights and B shares of DKK 1,000 thousand without voting rights and with no rights to dividend. The share capital is divided into shares of DKK 1 thousand each or multiples thereof.		



**5 Retained earnings**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Retained earnings at 1 January	6,177,516	4,584,537
Extraordinary dividend paid	(4,500,000)	(2,700,000)
Proposed profit appropriation/distribution of loss	1,149,243	4,292,979
<b>Retained earnings at 31 December</b>	<b>2,826,759</b>	<b>6,177,516</b>

**6 Other payables**

VAT	461,145	2,065,134
Production bonus and royalty	5,750,084	5,120,354
Other	873,698	884,286
<b>Balance at 31 December</b>	<b>7,084,927</b>	<b>8,069,774</b>

## **7 Related parties**

Related parties include entities within the Herbalife Group.  
All goods are purchased through related parties.

### **Controlling interest**

Herbalife International, Inc., Los Angeles, USA.

### **Ownership**

The Company's share capital is held by:

- Herbalife International, Inc., Los Angeles, USA.

Herbalife Denmark ApS is included in the consolidated Financial Statements of Herbalife Nutrition Ltd. The consolidated Financial Statements of Herbalife Nutrition Ltd. are available at the Company's address or on the Company's website [www.herbalife.com](http://www.herbalife.com).

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## Mark David Storey

Direktør

On behalf of: Herbalife Denmark ApS

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IP: 163.116.xxx.xxx

2022-05-27 13:39:18 UTC



## Mia Svorkmo Bergmann

Direktør

On behalf of: Herbalife Denmark ApS

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## James Liang

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

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## Niels Ole Tjørnelund Thomsen

Statsautoriseret revisor

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